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The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

NIC #02190-85  
30 April 1985

MEMORANDUM FOR: Distribution

FROM: Carl W. Ford, Jr.  
National Intelligence Officer for East Asia

SUBJECT: East Asia Warning and Forecast Meeting

1. Representatives of the Intelligence Community met on 17 April 1985 to consider the attached subjects.

2. Next month's Warning and Forecast Meeting will be held on 22 May 1985 at 1400 hours in Room 7E62, CIA Headquarters. Recommendations for discussions/warning topics should be forwarded to this office by 7 May 1985.

3. Attendees from outside agencies are advised to arrive early to avoid parking problems created by construction work. For your convenience, please enter the compound through Gate 1, the Route 123 entrance. Please phone attendance intentions to [redacted] and have your clearances verified to us by your security office by COB 20 May 1985.

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[redacted]  
Carl W. Ford, Jr.

Attachment:  
17 April 1985 Warning and Forecast Report

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Washington, D.C. 20505

National Intelligence Council

NIC #02190-85/1  
30 April 1985

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM: Carl W. Ford., Jr.  
National Intelligence Officer for East Asia

SUBJECT: 17 April 1985 East Asia Warning and Forecast Meeting

Sino-Soviet Relations:

Following opening remarks by the NIO, [ ] OEA presented a review of Sino-Soviet relations from the Chinese perspective. He addressed three key points.

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- 1-- We regard the Chinese gestures to Gorbachev as symbolically important, but they do not represent any narrowing of the strategic gulf that still separates the two. As a result, we do not expect relations to rapidly improve.
- 2-- The Chinese probably were more conciliatory toward Gorbachev than his two predecessors because they expect him to be around much longer and hence eventually in a stronger position to change Soviet policy toward China. Their overtures were intended to probe for new Soviet flexibility, but they may also have been motivated by domestic considerations. A time-honored tactic of Deng Xiaoping has been to give ground on some issues in order to get his way on important party personnel changes. We know he wants to make significant changes in key party organs this fall. It is possible, therefore, that he has decided to accommodate members of the old guard (Chen Yun, Peng Zhen), who favor a more balanced policy toward the superpowers, in order to gain their acquiescence to the changes he wants.

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- 3-- We doubt, in any event, that the Chinese expect any immediate change in Soviet policy, but at least some within the Chinese leadership probably hope to build on China's overtures to improve relations with Moscow. The two sides have already agreed to raise the level of their political dialogue--Foreign Ministers Wu and Gromyko probably will meet somewhere before next fall. The Chinese might also be willing to resume the long suspended border talks in Moscow. They may even initiate party-to-party contacts at some point this year, but neither side seems in any hurry at present to restore formal party ties.

[ ] SOVA then commented on the Soviet perspective. He explained a new, younger leader like Gorbachev might be inclined to introduce a more active China policy, but cautioned that as long as older leaders such as Gromyko remained in top advisory positions, we are more likely to see incremental changes rather than hold new initiatives. He indicated that he thought the Soviets might be considering a range of policy options to improve Sino-Soviet relations, but saw no signs that the leadership felt any pressure to take a major new initiative right now.

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## FORECAST:

No dramatic improvements in Sino-Soviet relations unless Gorbachev were to assert himself more rapidly and authoritatively than we now perceive to be likely.

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Nakasone's 9 April Statement on Next Trade Package and 11 April OECD Ministerial:

[ ] OEA, presented an analysis of Japan's latest trade package.

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The trade package contained no real surprises. It recapped measures already taken to address US trade demands but was vague about new steps Japan will take to trim its annual trade surplus. Efforts to liberalize control of telecommunications, elections and pharmaceutical imports are likely in the coming months and Tokyo's fear of protectionist sentiment in the US may lead to other substantial measures to reduce trade surplus.

Tokyo has promised to develop by July a three-year plan of action for internationalizing its domestic markets although details remain vague.

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Prospects for Cambodian Resistance:

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[REDACTED] OIA, reviewed the present state of and prospects for the resistance forces in Cambodia. The resistance appears to have reached a critical turning point in the war. Both communist and non-communist forces face greater obstacles to battlefield success during the coming rainy season than at any other time since the formation of the coalition (1982). The resistance strategy and performance over the next 6 to 8 months may be affected by several external and internal factors.

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[REDACTED]

Internal Factors:

In addition to the external obstacles posed by the tactical situation, the resistance faces serious internal obstacles. The non-communists suffer from poor leadership, factionalism, lethargy and a lack of know-how.

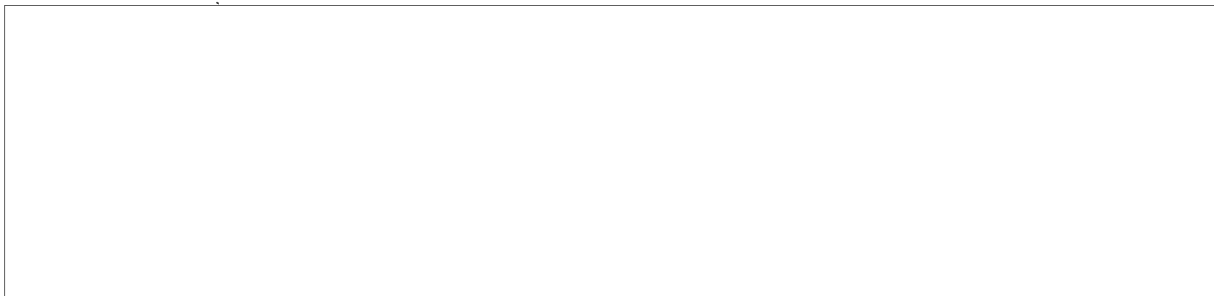
FORECAST:

The setback along the border this year may serve as a catalyst to move the non-communists toward a change in strategy from conventional to guerrilla tactics--and toward resolution of their other internal problems. However, even with more weapons and a guerrilla strategy, their prospects remain dim, given the increased Vietnamese presence and infiltration countermeasures. Communist DK forces remain active in the interior and will probably continue to be the most aggressive anti-SRV force in the foreseeable future.

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Carl W. Ford, Jr.

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